been surrendered to the University and the next year's budget has not taken credit for the expected receipts from these institutions. A lump provision of Rs 8 lakhs proposed for payment by way of grant to the University from the General Revenues is provided for under a separate head under 20. Education.

(vii) The provision for the pay of the Officer and staff deputed for taking stock of the vessels in the Utsavamatom is shown under a minor head newly opened in the next year's budget.

(viii) Provision for the continuance of the Poultry Farm hitherto included under 21. B. Agricultural Farms and Depots has been separated and is shown in the next year's budget under a separate minor head "Poultry Farm" under 21. Agriculture and Fisheries.

7. I shall now proceed to the Budget Estimates of the coming year. The revenue is estimated at Rs 261·41 lakhs which is the highest on record and an expenditure charged to revenue of Rs 259·98 lakhs has been provided for, leaving a revenue surplus of Rs 1·43 lakhs. It is a matter for satisfaction that this increase has taken place without resort to any fresh taxation measures. This is a conservative estimate and if our anticipations are realised, our revenue may easily mount up to Rs 265 lakhs leaving a surplus of about Rs 5·5 lakhs. Sale proceeds of Government lands are expected to bring in Rs 2·5 lakhs and our programme of Capital Expenditure on non-productive works is estimated at Rs 33·5 lakhs, the productive works aggregating to Rs 45·53 lakhs being provided for under Debt Heads.

REVENUE.

The revenue budgeted for the ensuing year is Rs 261·41 lakhs as against the current year's revised estimate of Rs 251·06 lakhs. While improvement in revenue to the extent of Rs 13·42 lakhs is expected under some of the major heads, chiefly Taxes on Income (·51), Excise (1·76), Customs (5·58), Forest (·50), Interest (1·02), Commercial Transport (2·10) and Ceramic Factory (·95), decreases to the extent of Rs 3·06 lakhs are anticipated under others. The expected increase under Income Tax is mainly under income from business as a result of the

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revision of rates and the measures adopted against evasion of payment of tax. The increase of Rs 1·76 lakhs under Excise is expected both from Tobacco and Abkari and Opium to the extent of Rs 1·05 lakhs and Rs ·71 of a lakh respectively. It is expected that on account of the special measures adopted to check effectively the smuggling of tobacco through the frontiers, which have just now begun to operate effectively, the improvement in revenue anticipated for the next year will be realised. Under Abkari and Opium, the expected increase is based on the results of the auction sales for the bienniel contract of 1114—16. The large increase anticipated under Customs is mainly under receipts from the Cochin Harbour Scheme which are expected to amount to Rs 14·92 lakhs in the next year as against the current year's receipt of Rs 9·26 lakhs. As a result of the separation of Burmah from India under the Reforms, the duty on petrol and oil which was till then treated as Excise Revenue by the Government of India is classed as Customs Revenue and the duty realised at the Port of Cochin on petrol and oil is also pooled for division. Consequently, the net revenue available for division for the year ended March 1938 according to the preliminary figures, exceeds Rs 1 crore and our share according to the revised agreement amounts to B. Rs 19·76 lakhs, comprising Rs 19·02 lakhs from the Government of India including duty already collected by us and Rs ·74 of a lakh due from the Government of Cochin on account of duty on Jaffna tobacco pooled for division prior to 1936—1937. In this connection, I am glad to inform the House that as a result of negotiations, the Government of India have agreed to pay in advance 90 per cent. of our share on the basis of the preliminary figures and the balance of 10 per cent. as soon as the final figures are settled so that there may not be any loss of interest. Forest revenue is expected to be more than the current year's revised estimate by Rs ·5 of a lakh due mainly to the better prices already secured for soft woods as a result of the activities of the new Director of Development. The anticipated increase under Interest is due to the adjustment of interest on the increasing outlay on the Capital schemes including the Pallivasal Hydro-Electric Scheme. Under Commercial Transport, the increased revenue anticipated in the next year is due partly to the natural expansion of existing traffic and partly also to the taking over of other lines under State control, especially the one from Alwaye to Munnar and Water Transport from Alwaye to Cochin. The Ceramic Factory at Kundara

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is expected to start work from the beginning of the next year and a net revenue of Rs ·95 of a lakh is expected to be realised from this source as offers have been received for purchase of all our output.

During the year under reference, with the concurrence of the Government of India, the Sirkar half rupee coin which is now styled as "Chitra" has been declared unlimited legal tender. Silver coins to the extent of Rs 2 lakhs were minted resulting in a revenue credit of Rs 1·04 lakhs by way of profit. It is proposed to mint an additional lakh of rupees worth of 'Chitra' in 1114 giving a profit of Rs 40,000.

The anticipated fall in the next year as compared with the revised estimates is mainly under Education (1·69) and Buildings, Communications and Miscellaneous Public Improvements (·50). The decrease under Education is due to the transfer of the Colleges and Hostels attached thereto to the Travancore University. Under Buildings, Communications and Miscellaneous Public Improvements, the expected fall is under Tolls.

Expenditure charged to Revenue.

9. The next year's programme of expenditure for the various departments has, as usual, been scrutinised carefully both by the Government and the Finance Committee and the allocation of funds fixed with due regard to the resources of the State on the one hand and the needs of a progressive administration on the other. The total expenditure provided for in the next year's Budget is Rs 259·98 lakhs which is in excess of the current year's revised estimate by Rs.9·92 lakhs. I shall now proceed to deal with the more important items.

10. *Land Revenue.* The Jenmikaram Settlement work which was commenced in the year 1108 is practically completed and the number of cases yet remaining to be disposed of is only very small. To attend to these pending cases, as also to wind up the Jenmikaram Settlement work, which involves the preparation of a Jenmikaram register, the issue of perpidi, pidipad, etc., it is proposed to continue for the next year also the present reduced temporary staff for Jenmikaram Settlement work. Provision has also been made for the revision of Volume II of the Land Revenue Manual, so as to make it current up to 1st Chingom 1113 by incorporating therein all the changes and deleting the cancelled G. Os. up to that date. The temporary staff appointed last year for the survey of minor circuits is proposed to be continued next year also and the necessary provision

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